

FISCAL NOTE

HB 3529 - SB 3720

March 17, 2006

SUMMARY OF BILL: Permits a local board of education to develop a differentiated compensation plan to provide additional compensation, bonuses, supplemental pay, or other incentives to mathematics and science teachers.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures – Not Significant


Increase Local Govt. Expenditures – Exceeds \$100,000/Permissive

Assumptions:

- Any cost to the Department of Education to perform a survey of other states' and localities' differentiated pay plans, to develop guidelines for such pay plans for use by local boards of education, and to approve such plans prior to implementation by the local boards is estimated to be not significant and can be handled within existing budgeted resources.
- The state would not experience any increase in expenditures due to the implementation of a differentiated pay plan at the local level since the plan would be optional to the LEAs and in addition to the state salary schedule.
- In 2005-06, there are 3,590 licensed teachers in Tennessee with math endorsements and 5,654 licensed teachers with science endorsements.
- The cost to local governments would depend upon the specific guidelines developed by the department; the number of LEAs that opt to participate in such plans; and the number and type of plans approved by the department each year. Based on other states, it is estimated that the increase in local government expenditures could exceed \$100,000.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director